



Recovery Zone Facility Bond Application Information

Overview

- **Recovery Zone Facility Bonds.** The American Recovery and Reinvestment Act, passed by the US Congress in February, 2009, created a new type of tax-exempt private activity bond which is available to most kinds of businesses.
- **King County Allocation.** The State of Washington allocated a total of \$34,754,000 in bond issuing authority to King County of which \$20,054,000 remains unallocated. King County is making this remaining allocation available to business projects within unincorporated areas and cities, except for the cities of Bellevue and Seattle which have their own allocations.
- **Qualified Business Applicants.** Any trade or business is eligible except for:
 - Residential rental property;
 - Any private or commercial golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack or other facility used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises.
- **Eligible Projects.** Depreciable property constructed, reconstructed, renovated, or purchased after March 29, 2010, the date King County Council designated King County as a Recovery Zone is eligible. Land is not an eligible expense. Working capital is not an eligible expense.
- **Eligible Locations.** A project may be located anywhere within the jurisdiction of King County and/or its cities, except for the cities of Bellevue and Seattle.
- **Maximum Project Amount.** The maximum amount of Facility Bond allocation King County may award to any one project is \$20,054,000. King County may award all \$20,054,000 to one project or to a combination of projects.
- **Minimum Project Amount.** The minimum project size is \$1,000,000.
- **Bond Terms.** Depending on the assets being financed, bond terms range from 5-25 years. The interest earnings to the lender are exempt from federal taxes so the rates are typically lower than conventional rates.
- **Issue Date.** Facility Bonds must be issued no later than December 31, 2010.
- **Review Process.** King County will determine which projects will receive bond allocation based on their economic impact. Once selected, the County will forward projects to the Washington State Economic Development Finance Authority (WEDFA) to implement the process for issuing bonds.

- Projects selected for funding will need a resolution supporting the project from the governing body of the jurisdiction in which the project is located.
- **WEDFA Fees.**
 - Application Fee: \$750, payable if King County forwards the project to WEDFA.
 - Issuance Fee: .003 x Bond amount (\$3,000 per \$1 million of bonds) due when bonds are closed.
 - Please contact Rodney Wendt, WEDFA Executive Director at 206-587-5634 with any questions about WEDFA's fees and/or process.

Application Submission Requirements

- **Preliminary Bond Counsel Opinion.** Applicants must attach a letter from a bond counsel opining on the preliminary eligibility of the applicant and the project. Bond counsel must be from a state of Washington firm listed in the most recent edition of *The Directory of Municipal Bond Dealers* published by The Bond Buyer.
- **Lender Letter of Interest/Commitment.** Applicants must attach a letter from a bank or other lender stating their interest in or commitment to purchasing the Facility Zone Bonds to be issued for the applicant's project.
- **Job Creation/Retention.** A project must create new, permanent jobs or retain existing jobs in the private sector within two years of project completion. Jobs relocated from one jurisdiction to another within King County will not be considered new jobs. A claim of job retention must be substantiated by evidence of imminent employee layoffs or business closure without Facility Bond funding.
- **Employment Agreement.** Applicants must sign and submit the Recovery Zone Facility Bond agreement to use the Washington State Employment Security Department as their first source of referral for job openings resulting from a Facility Bond funded project.
- **Application Signature.** The Chief Executive Officer of the applicant must sign the application.
- **Application Materials Mailing Address.** Send one complete application package with an original signature in blue ink (*incomplete applications will not be reviewed*) and two copies of the complete application to:

The Office of Strategic Planning and Performance Management
Business Relations and Economic Development Section
Attn: Ray Moser
400 Yesler Way, Suite 510
Seattle, WA 98104

- **Application Due Date.** Applications are physically due by 4:00 PM on July 30, 2010. Applications arriving after 4:00 PM on July 30, 2010 will not be reviewed.

- **King County Contact.** Ray Moser, Economic Development Manager
206-205-0707, ray.moser@kingcounty.gov



Application for Recovery Zone Facility Bonds

1. Applicant Information

Business Name:

Address:

City, State, Zip:

Contact Name:

Contact Phone:

Contact E-mail Address:

2. Project Information

Name:

Address:

City, State, Zip:

Facility Bond Request: \$

Total Project Cost: \$

Business/Industry Type:

3. Project Description including Jobs Impact (maximum 750 words):

4. Project Costs

Building Construction	\$
Building Purchase	\$
Building Renovation	\$
Equipment Purchase	\$
Other Depreciable Assets:	
-	\$
-	\$
Sub-Total Facility Bond Eligible Costs	\$
Other Expenses:	
Land	\$
-	\$
-	\$
Sub-Total Other Costs	\$
Total Project Costs	\$

5. Funding Sources

Recovery Zone Facility Bonds	\$
Other Sources:	
-	\$
-	\$
Equity	\$
Total Funding Sources	\$

Business Name:

6. Job Creation/Retention Information - 2 Years from Project Completion

<i>Job Description</i>	<i># Jobs Created</i>	<i># Jobs Retained</i>	<i>Hourly Wages*</i>
Management/ Administration*			\$
Technical/ Professional			\$
Skilled Crafts			\$
Sales			\$
Office/Clerical			\$
Other			\$
Total			

*Report Management wages as an annual salary.

7. Project Readiness

- Can all necessary permits and financing be obtained such that Facility Bonds can be issued no later than December 31, 2010? *Yes or No*
(Please circle one)
- Will the governing body of the jurisdiction in which the project is located issue a resolution supporting the project? *Yes or No* (Please circle one)
- Estimated Project Start Date:
- Estimated Project Completion Date:

8. Preliminary Bond Counsel Opinion Attached. *Yes or No* (Please circle one)

9. Lender Letter of Interest/Commitment Attached. *Yes or No* (Please circle one)

10. Employment Security Dept. Agreement Attached. *Yes or No* (Please circle one)

11. Name of Business:

By (Signature):

Title:

Typed Name:

Date:

King County Contact: Ray Moser, 206-205-0707 or ray.moser@kingcounty.gov

RECOVERY ZONE FACILITY BOND EMPLOYMENT AGREEMENT

Purpose: This agreement is entered between _____ (the “Employer”) and the Washington State Employment Security Department (“ESD”). The purpose of this non-financial agreement is to provide low-income individuals of Washington State with opportunities for training and employment that result from this bond financing pursuant to RCW 39.86.130 Sect. 2(c)(iii).

Terms:

1. The Employer agrees to list job openings in their company that result from this bond financing with ESD.
2. The Employer agrees to list jobs in instances where there are current openings that exist due to expansion, promotion, or permanent termination.
3. The Employer agrees to provide to ESD the job titles, hours worked, proposed wage per hour, and job requirements for positions for which they are requesting applicant referrals.
4. ESD agrees to screen and refer qualified applicants for consideration to the employer.
5. The Employer agrees to make a good faith effort to hire qualified individuals who have been referred, or to consider the individuals referred for additional training opportunities.
6. The Employment Security Department agrees provide the Employer with information on applicable employment and training services and provide assistance in obtaining these resources where applicable.
7. The Employer agrees to comply with equal employment opportunity rules and regulations.
8. This Agreement, in concert with the authorizing legislation, shall remain in effect for a period of three years from the date the bonds are issued and terminate at the end of that period. This Agreement may be waived, changed, modified, or amended only by written agreement executed by both of the parties hereto.
9. This Agreement shall be construed and interpreted in accordance with the laws of the State of Washington.

Signed and Acknowledged:

Employer

Date

Employment Security Department

Date

Employment Security Department Contacts and Resources for Employers:

Services to employers are administered at the local WorkSource offices. Each county has at least one, and many counties have more than one office. Most of the offices have specific e-mails for employer business contacts. A good starting place for employer resources is online at http://www.wa.gov/esd/coreservices_employer.htm. Follow the "WorkSource Centers" link to an interactive state map where you can click on a specific county for WorkSource addresses, phone numbers, and e-mails for business support services. The core services web link has additional links for employers to post jobs, learn about employment tax credits, and find out about the many financial, workforce training, recruitment logistics, and other resources ESD offers for employers.